

Message Text

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73

ACTION ARA-10

INFO OCT-01 IO-10 ISO-00 FEA-01 AGR-05 CEA-01 CIAE-00

COME-00 DODE-00 EB-07 FRB-03 H-02 INR-07 INT-05 L-03

LAB-04 NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15

STR-04 TAR-01 TRSE-00 USIA-06 PRS-01 SP-02 OMB-01

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FM AMEMBASSY MEXICO

TO SECSTATE WASHDC PRIORITY 1106

INFO USDEL MTN GENEVA PRIORITY

ALL AMERICAN CONSULATES

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E.O. 11652: N/A

TAGS: ETRD MX

SUBJECT: TRADE RELATIONS BETWEEN US AND MEXICO

REF: MEXICO 9934

1. SUMMARY. REFTEL CARRIES TEXT OF EXCELSIOR ARTICLE OF INTERVIEW WITH AMBASSADOR DE OLLOQUI CONCERNING US TRADE RESTRICTIONS. AMBASSADOR CLAYTON YEUTTER DISCUSSED ARTICLE AND OTHER MATTERS WITH GOM OFFICIAL NOV 10 AND 11. END SUMMARY.

2. WITH ITS USUAL TROUBLE-MAKING PROCLIVITY, EXCELSIOR HAS TAKEN INTERVIEW WITH DE OLLOQUI AND MADE IT APPEAR MEXICO'S PRESENT SERIOUS TRADE DEFICIT WITH THE US IS DUE TO DISCRIMINATORY, RESTRICTIVE TRADE MEASURES OF US GOVERNMENT. FRONT PAGE HEADLINE READS "MEXICAN PROTESTS TO THE US RESTRICTION OF IMPORTS." IN EMBASSY'S VIEW DE OLLOQUI SURELY KNEW OF EXCELSIOR'S LIKELY TREATMENT OF INTERVIEW,
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AND HIS REMARKS THEMSELVES ARE SUFFICIENTLY WIDE-OF-THE

MARK TO JUSTIFY SOME INDICATION OF THE DEPARTMENT'S DIS-
APPROVAL.

3. AT SAME TIME THAT AMBASSADOR DE OLLOQUI WAS MAKING
HIS PROTEST OVER TRA IN WASHINGTON, AMB CLAYTON YEUTTER
(STR) WAS INFORMING VARIOUS MEXICAN OFFICIALS THAT
MEXICO STANDS TO GAIN MORE FROM TRA'S GENERALIZED
SPECIAL PREFERENCES THAN ANY OTHER COUNTRY. IN CONVER-
SATION MONDAY, NOV 10, AMB YEUTTER COVERED PROSPECTS
FOR GSP AS WELL AS NUMEROUS TRADE POLICY ISSUES WITH
HERNANDEZ, GARRIDO AND GATICA (ALL FROM HACIENDA) YEUTTER
EMPHASIZED THAT INCREASED MEXICAN TRADE DEFICIT WITH U.S.
WAS DUE TO DROP IN U.S. DEMAND, AND THIS POINT WAS ACCEPTED BY
MEXICAN "PROFESSIONALS." BOTH SIDES BROUGHT UP VARIOUS
TRADE ISSUES, E.G. BY U.S. MEXICO OFFICIAL PRICE
VALUATION SYSTEM, DUTIES ON QUARTER HORSES, LICENSING PROBLEMS
WITH TRIPE AND WINE. MEXICANS EXPRESSED CONCERN THAT COUNTER-
VAILING DUTY INVESTIGATIONS NOT PROLIFERATE. THEY WERE WORRIED
ALSO ABOUT "COUNTRY OF ORIGIN" PROBLEM WITH GSP. HERNANDEZ
WARNED THAT IF OPPORTUNITIES UNDER GSP WERE LESS THAN ANTICIPATED
WE COULD EXPECT AN ADVERSE REACTION FROM TRA CRITICS.

4. TUESDAY A.M. AMB YEUTTER WAS SCHEDULED TO SEE
UNDERSECRETARY GONZALES SOSA (MINISTRY OF FOREIGN AFFAIRS)
BUT AS FORMER WAS "WITH THE PRESIDENT" WAS RECEIVED
INSTEAD BY DIAZ THOME, DIRECTOR GENERAL OF INTERNATIONAL
ECONOMIC AFFAIRS. ALSO PRESENT WERE MARCONI OSORIO
(DEPUTY TO DIAZ THOME), GARRIDO, GATICA AND TWO OFFICIALS
FROM INTERNATIONAL OFFICE OF MINISTRY OF INDUSTRY AND
COMMERCE, ALVARADO AND ALCAREZ. EXCELSIOR ARTICLE HAD
JUST APPEARED AND AMB YEUTTER TOOK STRONG EXCEPTION
TO ARTICLE'S CHARGES OF U.S. DISCRIMINATORY TREATMENT.
HE DENIED THAT INTERNATIONAL TRADE COMMISSION WAS,
IN FACT, MAKING INVESTIGATIONS ON ITS OWN INITIATIVE
AS THE ARTICLE CHARGED. DIAZ THOME WAS OBVIOUSLY
DRAWING COMMENTS FROM DRAFT OF NOTE DELIVERED BY DE
OLLOQUI TO GLITMAN, AND AMB YEUTTER WAS ABLE TO PROVIDE
USEFUL REPLIES. AS WAS DONE THE NIGHT BEFORE, PARTI-
CIPANTS DISCUSSED ALSO VARIETY OF TRADE POLICY ISSUES
INCLUDING GSP, PROLIFERATION OF COUNTERVAILING DUTY
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ACTIONS, ETC.

5. COMMENT: WE APPRECIATED AMB YEUTTER MAKING TIME
AVAILABLE FROM HIS ACTIVITIES WITH SOYBEAN PROTEIN
CONFERENCE. OVER PERIOD OF TIME EXPOSURE TO POLICY
LEVEL U.S. OFFICIALS MAY HAVE SOME EFFECT IN BROADENING
MEXICO'S TUNNEL VISION OF U.S. TRADE POLICY. AS A
MINIMUM, IT PERMITS US TO SHOW THAT WE ARE WILLING

READILY TO DISCUSS GOM'S PERCEIVED TRADE PROBLEMS
WITH U.S.
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